



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

June 5, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Tom Tindall, Interim Director
Internal Services Department

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LOS ANGELES CITY CONTROLLER AUDIT OF CITY ENERGY CONSERVATION

You may have seen the June 3, 2008 news release (attached) from Los Angeles City Controller, Laura Chick, on the state of the City's energy management program. There also was an article on the same subject in the June 4, 2008 Los Angeles Times, California section. In the news release, Ms. Chick expresses disappointment in the ongoing efforts and results of the City's Energy Conservation Program (Program) which was created in 1996 to implement energy efficiency projects in City-owned buildings. After an audit of the City's program, the Controller's Office reported these findings:

- No one City department or agency has oversight or accountability for coordinating conservation efforts within the city government.
- Since 1996, the Program has spent only \$7 million primarily in retrofitting building lighting.
- "Reducing energy usage in City buildings has never been included in the greening L.A. priorities set by our elected leadership."

Ms. Chick concluded that the Department of General Services (the Program Manager), "has not been given the resources nor the mandate to effectively manage our energy programs." She finished with, "The Mayor and City Council need to decide if they want to make energy conservation a priority as part of our greening L.A. efforts."

County Centralized Energy Management

This memo is provided to assure you that the County is in good shape in this area. The Internal Services Department (ISD) serves as the County's central agency responsible for all energy management issues, including implementing an energy efficiency projects program in County

buildings. Our program has been in place since fiscal year 1994-95 with results as summarized in the table below. Funding for the projects has been provided by your Board, as well as through project financing, grants and utility incentives.

Type of Project	# of Projects	Project Costs (millions)	Cumulative Savings (millions)
Lighting Retrofits	282	\$28.0	\$93.0
Lighting Controls	14	\$3.2	\$4.2
Heating/Air Conditioning Retrofits	32	\$16.2	\$12.1
Building Retrocommissioning	24	\$4.3	\$3.5
Totals	352	\$51.7	\$112.8

ISD is currently implementing new projects using State funding through its partnership with Southern California Edison and The Gas Company. Additionally, ISD will utilize anticipated litigation settlement funds in fiscal years 2008 - 09 and 2009 - 10 to implement energy efficiency projects primarily in Department of Health Services and Sheriff's facilities. We anticipate that future years' projects will continue to be funded by the County, our State-funded utility partnership, energy project financing, and Federal funding.

In addition to implementing energy efficiency projects, ISD serves as the County's internal "utility," provides energy-related technical support, and participates in Federal and local legislative and regulatory activities. Since 2001 (beginning with the State energy crisis), ISD has provided regular reports to your Board on a variety of energy issues including energy efficiency projects results. Currently, ISD provides your Board with updates on County energy and environmental activities through the semi-annual reports of the Energy & Environmental Policy Team.

ISD helped develop, and leads, the Countywide Energy & Environmental Policy Team. The Team is very active in addressing the need for centralized energy and environmental program coordination, primarily in response to climate change legislation and regulations.

Please let me know if you have any questions or your staff may contact the ISD Interim Director, Tom Tindall, at (323) 267-2101 or the ISD Energy Management Division Manager, Howard Choy, at (323) 881-3939.

WTF:ES:
TT:z

Attachment

c: ISD Board Deputies
Department Heads



NEWS FROM

CITY CONTROLLER LAURA CHICK

City Hall East, Room 300, 200 N. Main St., Los Angeles, CA 90012

FOR IMMEDIATE RELEASE

Tuesday, June 3, 2008

CHICK CITES CITY OF L.A. ON \$5 MILLION ON REPLACING LIGHTBULBS

Los Angeles – After 12 years the City's in-house conservation program has spent nearly \$7 million predominantly changing light bulbs in a fraction of municipal buildings an audit by City Controller Laura Chick has found.

"My audit found that no one City department or agency has any oversight and accountability for coordinating the energy conservation efforts inside our own city government," said Chick.

Since 1996, the City has spent \$5 million of \$7 million to replace light bulbs in 102 out of 958 City facilities. Piper-Tech was more extensively retrofitted, but proved to take too long in achieving cost recovery.

As the second largest City in America, Los Angeles owns over 1,000 buildings comprised of police and fire stations, libraries, office buildings, recreation facilities and senior centers using over \$27 million in electricity a year.

In 1996, the City Council created the Energy Conservation Program managed by the General Services Department. The Convention Center, Airport, Water and Power and Port all have their own energy conservation efforts they are pursuing, while Recreation and Parks is creating its own plan.

"The crux of the problem does not lie with the General Services Department, as it has not been given the resources nor the mandate to effectively manage our energy programs. Reducing energy usage in City buildings has never been included in the greening L.A. priorities set by our elected leadership," said Chick.

"While General Services was required to report quarterly to the City Council on its energy conservation efforts, only one status report has been given in the last seven years. Further, there are no tracking measures in place to be able to clearly report to the public if these dollars were well spent and that this is the best we can be doing. In fact, energy usage and costs have actually increased in nine out of the ten buildings we surveyed that had been retrofitted with new light bulbs," said Chick.

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Chick
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"It's rather astounding that LADWP, which provides expert technical and financial advice for all its retail customers, isn't in lock step with General Services and the rest of the City, advising and guiding. Instead, their only role has been to watch that their money is paid back, and that the City is charged between 4.52% and 6.18% interest."

"Clearly, this program needs a complete overhaul. The Mayor and City Council need to decide if they want to make energy conservation a priority as part of our greening LA efforts," concluded Chick.

To read the audit, please go to www.lacity.org/ctr.

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